

Public-Private Partnerships Policy Issue Paper

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Hill Farms State Transportation Building

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Bureau of State Highway Programs

Overview

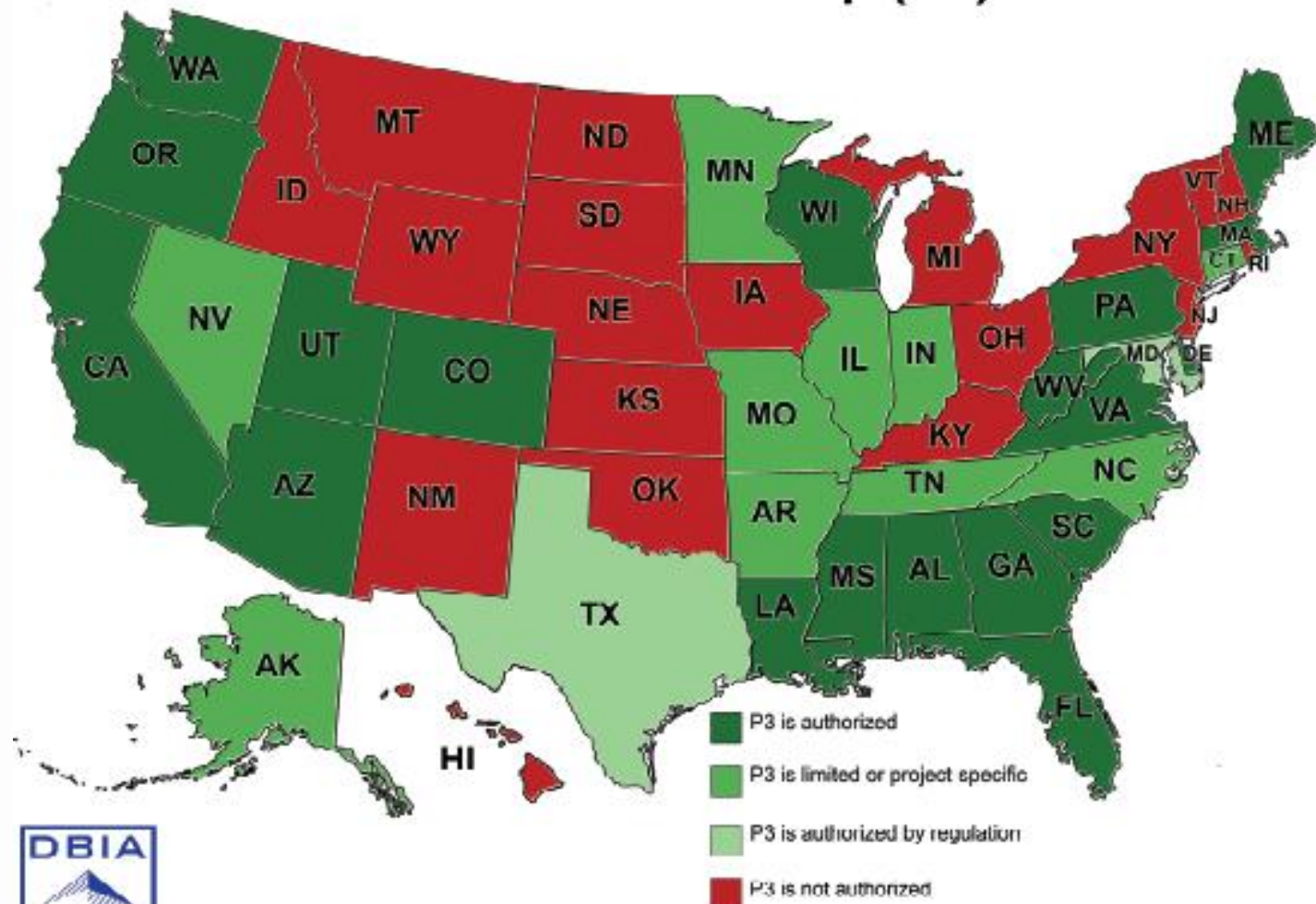
- Types of enabling legislation in other states
- Types of projects using P3s
- Wisconsin Implementation Issues
 - Statutory authority
 - Departmental resources

Enabling Legislation in Other States

Key Legislative Elements (Refer to handout)

- Use of local/state/federal funds
- Number of projects permitted per year; or to pilot projects only
- Mode(s) of transportation
- User-fee rates and rate setting authority
- Dedicated use of revenues
- Agency with authority to enter P3 agreements

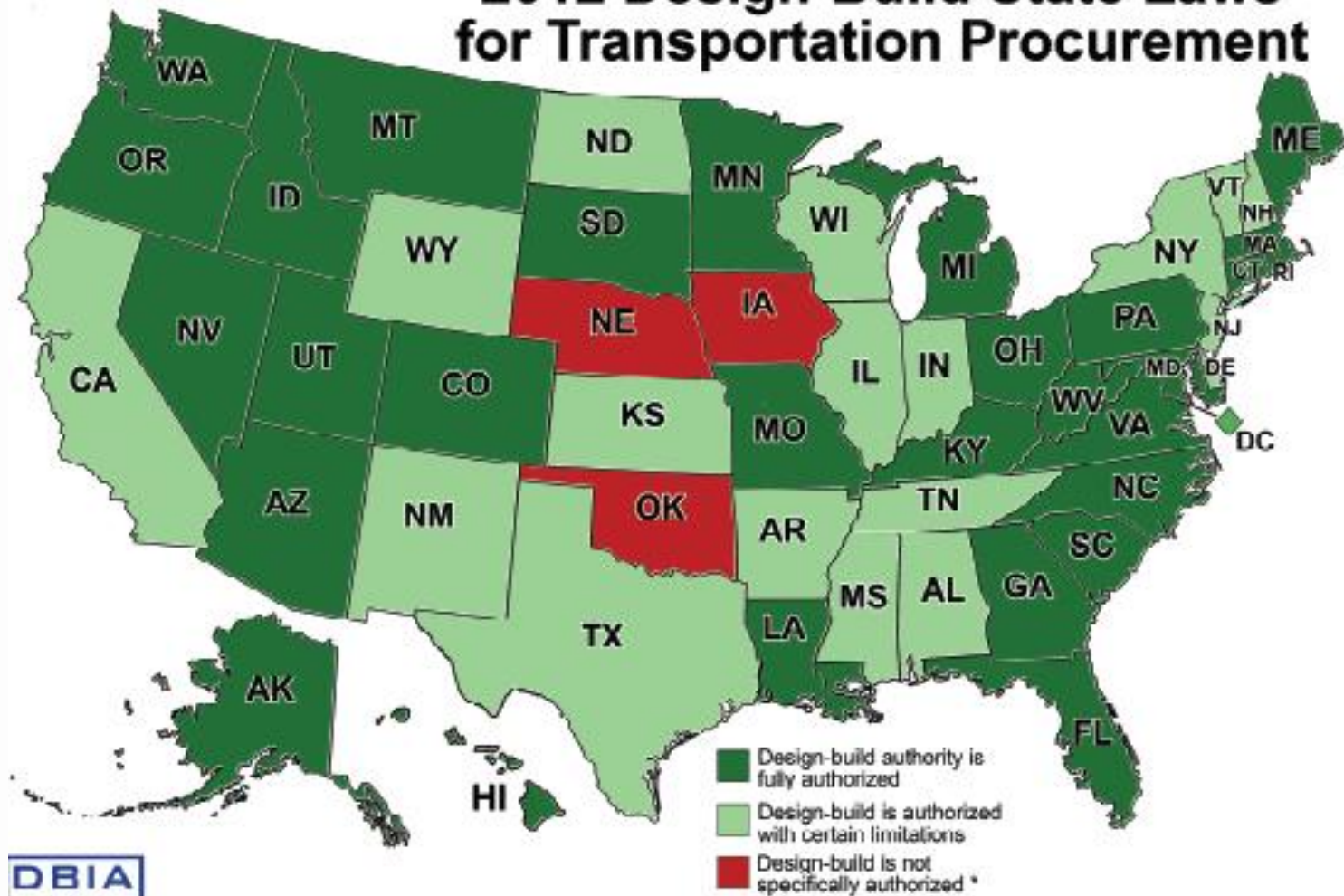
2012 Public-Private Partnership (P3) State Laws



National Council of State Legislatures

Updated August 2012

2012 Design-Build State Laws for Transportation Procurement



* Certain states allow design-build procurement as a result of case law.

Updated May 2012

National Council of State Legislatures

Wisconsin Statutory Authority

- *Wisconsin does not have Public-Private Partnership enabling legislation. A limited exception to the Design-Bid-Build process to a Design-Bid mandated by current Wisconsin statute was authorized in 2000.*
- *Even with this exception, the state has decided not to proceed with a Design-Bid in at least one of the two projects under consideration.*

Wisconsin Implementation Issues

- Need for appropriate enabling legislation
 - Create legislation that is narrow or broad in scope
- Tolling legislation
- Address project delivery method
 - Design Build Operate
 - Design Build Operate Maintain
 - Construction Management/General Contractor
 - Long Term Lease of Existing Facility
 - Lease Develop Operate Existing Facility

Wisconsin Implementation Issues

- **Financing Issues**
 - Identify revenue stream
 - Private sector investment
 - FHWA maintains oversight of P3 projects using federal funds, including federal loan programs, e.g., TIFIA
 - Use of state or local funds on projects
 - Revenue Use
- **Project Prioritization**
 - Structure of P3 permits project delivery to occur more quickly than without private sector funding
 - Project delivery method
 - Shorten delivery time
 - Use of innovative technology

Legislative Updates & MAP-21 Changes

- Transportation Infrastructure Finance and Innovation Act (TIFIA)
 - Increases funding availability over the next two years
 - TIFIA applications permitted to include more than one project – project bundling – with application for funding
 - TIFIA share up to 49 percent of project cost
- MAP-21
 - Requires issuance of public-private partnerships best practices
 - Issues standard public-private partnership model contracts for most common P3 types

Types of Projects Using P3s

(Refer to handout)

Toll Facilities:

- by far, most common
 - Ensures return on investment
 - Project delivery method comprehensive
 - Design Build Finance Operate Maintain
 - long-term operation and maintenance of facility
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- Bridges and Tunnels:
 - Design Build Finance
 - Generally tolled facility
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- Rail and Airports:
 - Usually rail projects, both commuter rail and freight rail
 - Project delivery method comprehensive

Departmental Resources

- Increase Staff Capacity
 - Legal contractual expertise
 - Financial expertise
 - Project delivery methods
 - Assess Wisconsin's potential as a tolling state
- Develop Committee to Study P3 Legislation
 - Other state enabling legislation
 - Federal policy and assistance guidelines